

From the Financial Listening Posts of Europe

Little Entente Support Lifts French Hopes

Now Confident of a Majority at Genoa Parley Favoring the Integral Execution of the Treaties

From The Tribune's European Bureau (Copyright, 1922, New York Tribune Inc.) PARIS, April 2.—There are now three points at issue in France which are causing considerable public anxiety. The first is the Greco-Turkish peace, the second is Russia's acknowledgment of the 4,500,000,000 gold francs due to France, and, most important, the international attitude toward a revision of the reparations system. In the first instance a temporary armistice seems imminent. In the second, a deadlock with the Soviets on the debt subject would not leave France any worse off for the next few years, as she is largely occupied with her own reparations problem, as well as with the development of the Little Entente, which is growing rapidly under her auspices.

Confidence has been strengthened by news that the Little Entente, through Dr. Benes, has guaranteed to support the integral execution of the treaties. These countries have a population of 60,000,000, their area is 1,000,000 square miles, and they have 108,000,000 persons represented who favor execution of the treaties. The rich neutrals, Holland, Spain and Scandinavia, also will exert a powerful influence, due to their united action.

In the face of uncertainty in regard to the alignment of the remaining powers, confidence is felt here that a majority will sanction guarantees in the event of the Reichstag's refusal or inability to remedy Germany's financial situation, which has been characterized since the armistice by chronic deficits even in internal expenditures. The French Chamber is practically unanimous in maintaining that the reconstruction of Europe must be concurrent with the settlement of the reparations problem and not precedent to it. France's financial plans for the year call for the consolidation of some 20,000,000,000 francs of floating obligations. Preliminary steps have taken the form of lowered rates on treasury bills, and next month war loans will be floated. There are certain restrictions by categories, according to the amount of foreign currency bought outside would be lessened.

New taxes will not be attempted and all fiduciary inflation has been elim-

German Prices Rapidly Rising To World Level

Sharp Advances in Costs May Bring Industries to the End of Period of Prosperous Activity

Special Cable to The Tribune (Copyright, 1922, New York Tribune Inc.) BERLIN, April 2.—With the storm caused by the arrival of the Allied Reparation Commission's note on Germany's moratorium application subsiding into a state of calm, and with the renewed hope that Genoa, after all, may bring Germany some sort of substantial international loan, the close of the week saw a considerable weakening in foreign exchange on the Berlin Bourse. At the moment of writing the mark has recovered the ground lost during the past week, and is now being quoted at 292 to the dollar. Business on the Bourse again has assumed a more or less calm aspect, although accompanied by a distinct reserve arising out of the uncertainty of impending developments, particularly the Du Bois threats in Paris regarding the application for new military sanctions in the event Germany refuses to meet the conditions of the Reparation Commission.

National Bonds Continue Price Rise in Britain

Advance Has Reached the Point Where Only Two War Issues Yield More Than Five Per Cent

From The Tribune's European Bureau (Copyright, 1922, New York Tribune Inc.) LONDON, April 2.—Although the long awaited business revival seems little nearer, the steady advance has continued in the price of British government securities and other gilt-edged issues. This advance has now reached the point where only two war issues yield more than 5 per cent—the 5 and the 3½ per cent loans, both comparatively short-term issues. The £2,000,000 5 per cent loan which was issued in 1915 is now quoted at 107½, and the £2,000,000 3½ per cent loan at 107½. The advance has been a result of buying certificates before the April 1 price advance. As these pay 5½ per cent, with principal and interest guaranteed by the government, it did not particularly pay the Treasury to continue to issue them at a lower price, but the influx of cash for these certificates proved a welcome relief to the exchequer.

Reconstruction money market during the week has been steady, and no pronounced activity developed among foreign exchanges, the franc and the dollar remaining more or less stationary, while the pound continued erratic. There was a dearth of new commercial bills, but on Friday the Commonwealth of Australia offered a £5,000,000 5 per cent loan at 96 for subscription. These reflect graphically the course the money market has taken since three months ago the same government floated an equally large loan at 97 on a 6 per cent basis. This issue matures in 1924, the proceeds being required to meet expenditures on development work and for the redemption of Treasury bills.

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While the fate of German exchange remains uncertain, additional evidence is piling up to show that German prices are rapidly approaching the world level. This is noticeable particularly in coal, iron, steel, grain and flour. These are now but slightly below the American scale. Imported articles already have reached the level. If this process continues the 300,000 American business men and travelers expected here this summer will no longer find Germany a fairland of prices. Wheat, for example, is selling on the Berlin Produce Exchange at \$14.2 a bushel, rye at \$10.2 and wheat flour at \$5.7 a barrel. Prices of other produce articles have undergone similar changes. The price increase has been emphasized particularly within the past few weeks, wheat flour, rye and coal showing advances of more than 50 per cent. When these price levels are reached the level of bread threatens to produce extremely unpleasant consequences.

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\$60,000,000 The New York Central Railroad Company

REFUNDING AND IMPROVEMENT MORTGAGE 5% GOLD BONDS, SERIES C

Dated October 1, 1921 Interest payable April 1 and October 1 in the City of New York

Redeemable, as a whole but not in part, at the option of the Company, at 105% and accrued interest on, but not before, October 1, 1951, or on any interest date thereafter, on three months' notice.

Coupon Bonds in denomination of \$100 (not registrable) and in denominations of \$1000 and \$500, registrable as to principal. Fully registered Bonds in denomination of \$1,000 and authorized multiples thereof. Coupon and registered Bonds interchangeable.

The issuance of these Bonds has been authorized by the Interstate Commerce Commission.

GUARANTY TRUST COMPANY OF NEW YORK, TRUSTEE

A. H. Smith, Esq., President of The New York Central Railroad Company, has summarized as follows his letter to us describing this issue:

The Refunding and Improvement Mortgage Bonds are secured by direct mortgage on all of the railroad owned by The New York Central Railroad Company, the main line of which, extending from New York City to Chicago, is one of the trunk lines of heaviest traffic in the United States.

The property mortgaged includes rolling stock costing in excess of \$134,000,000 which is owned free from equipment liens, and the mortgage will attach to additional rolling stock costing approximately \$135,000,000 upon the payment of outstanding equipment obligations aggregating approximately \$52,000,000.

The Company's investments other than owned road and equipment amount to approximately \$370,000,000, about 80% of which is in affiliated or controlled steam railway properties forming an integral part of the New York Central system. Income received by the Company from these investments in the last seven years averaged 4.67% per annum on the book cost of all of the investments including non-dividend paying stocks.

For the last seven years (i. e., since consolidation with the Lake Shore and Michigan Southern Railway), the Company's net income, after deducting rentals and miscellaneous income charges, averaged \$58,001,400 per annum, as contrasted with \$24,057,985 average annual interest charges on mortgage and other secured debt. Net income in 1921, after deducting rentals and miscellaneous income charges, amounted to \$63,090,362 as compared with \$27,825,969 interest charges on mortgage and other secured debt. Inasmuch as the proceeds of this issue are to be used, in large part, to retire existing debt, the issue of these \$60,000,000 Bonds will increase the annual interest charges of the Company by only about \$160,000. The average interest rate on the Company's mortgaged debt, including the present issue and \$480,161,000 underlying bonds, is slightly less than four per cent.

Since January 1, 1915, the Company has added to surplus approximately \$80,000,000 from current income after payment of dividends on its stock. The Company has additional resources in the undistributed earnings of subsidiary properties, its proportion of the undistributed surplus earned by five principal steam railway subsidiaries during the last seven years amounting to more than \$44,000,000.

The outstanding securities junior to the Refunding and Improvement Mortgage Bonds include \$105,500,000 Debenture Bonds and \$249,597,355 par value of capital stock. For every year since 1869, dividends have been paid at the rate of at least four per cent. per annum; since 1900 the rate has been not less than five per cent. per annum.

In the opinion of counsel, the Refunding and Improvement Mortgage Bonds are a legal investment for savings banks in the states of New York, Massachusetts, Connecticut and Vermont.

THE ABOVE BONDS ARE OFFERED FOR SUBSCRIPTION, SUBJECT TO ISSUE AS PLANNED AND TO THE APPROVAL OF OUR COUNSEL, AT 94½% AND ACCRUED INTEREST, TO YIELD NEARLY 5.30 PER CENT.

Subscription books will be opened at the office of J. P. Morgan & Co., at 10 o'clock A. M., Monday, April 3, 1922. The right is reserved to reject any and all applications, and also, in any case, to award a smaller amount than applied for. The amount due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds, the date of payment to be specified in the notices of allotment, against delivery of temporary Bonds exchangeable for definitive Bonds when prepared.

J. P. MORGAN & CO. THE NATIONAL CITY COMPANY
FIRST NATIONAL BANK, New York
GUARANTY COMPANY OF NEW YORK
BANKERS TRUST COMPANY, New York
HARRIS, FORBES & CO.
KIDDER, PEABODY & CO.
LEE, HIGGINSON & CO.
New York, April 3, 1922



A. B. C.

Active assistance in business banking for community commerce.

GARFIELD NATIONAL BANK

23rd STREET, WHERE FIFTH AVENUE CROSSES BROADWAY

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Conservative Accounts Accepted ONLY on proper introductions

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SAVINGS BANKS

Put Your Savings in a Savings Bank

Quarterly Dividends

METROPOLITAN SAVINGS BANK

1 THIRD AVE., COR. 7th STREET

Interest for 4% on deposits

Deposits on or before April 1st

Dividends Will Be Paid Quarterly

Week's Bond Market

Government and Municipal Bonds

U. S. Liberty Bonds

U. S. Savings Bonds

U. S. War Bonds

U. S. Navy Bonds

U. S. Air Corps Bonds

U. S. Marine Corps Bonds

U. S. Army Bonds

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